



CONSIDERING FLOOD INSURANCE

Flooding is America's number one natural disaster, and it can occur at any time of the year. Past flood have reminded us that very few areas are immune. It's worthwhile to note that the standard homeowners' insurance policy does not cover flood damage.

WHAT IS A FLOOD?

The National Flood Insurance Program (NFIP) defines flood to be a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is the policyholder's property) from overflow of inland or tidal waters, unusual and rapid accumulation or runoff of surface waters from any source, mudflow, or collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels.

WHAT IS FLOOD INSURANCE?

- Flood insurance is a special policy that is federally backed by the NFIP.
- You may buy flood insurance that covers up to \$250,000 for flood damage to your home. A standard flood policy will cover structural damage to your home, including damage to your furnace, water heater, air conditioner, floor surfaces (carpeting and tile) and debris clean up.
- For an additional premium, you also may buy flood coverage for up to \$100,000 of damage to the contents of your home due to a flood. Contents coverage is not automatically included.
- Coverage is available up to \$500,000 for non-residential buildings and their contents.

HOW MUCH DOES FLOOD INSURANCE COST?

According to the Federal Emergency Management Agency (FEMA), the average flood insurance policy costs a little more than \$400 a year for about \$100,000 of coverage. Your actual cost depends upon where you live and the amount of coverage you choose.

HOW CAN I BUY FLOOD INSURANCE?

You can buy NFIP flood insurance directly from your property and casualty insurance agent or insurance company if your community participates in the NFIP. You can find out if your community participates by visiting the following NFIP Web link:

<http://www.fema.gov/hazard/flood/info.shtm>. Your insurance agent or insurance company can confirm whether flood insurance is available to you and what it would cost.

DETACHED BUILDINGS AND BASEMENTS

NFIP rules require you to purchase a separate policy for each building on your premises for which you want coverage. The only exception is a detached garage not used as a residence, in which case, 10 percent of the building limit on your primary flood policy may be used to cover the structure. Coverage for basements (defined as a room with the floor below grade on all four sides) is limited under the flood policy. Contents are not covered at all. Only items used to service the building are covered. Examples of such items include furnaces, hot water heaters, washers, dryers, air conditioners, freezers, circuit breaker boxes and utility connections. Flood policies do not cover additional living expenses or business interruption.

PLAN AHEAD

It is very important to plan ahead. A flood insurance policy will not go into effect until 30 days after you buy the policy.

OTHER THINGS TO KNOW

- According to FEMA, between 20 and 25 percent of flood claims occur in medium or low risk flood areas.
- You can buy flood insurance for your home or business regardless of whether the property is in or out of a floodplain, as long as the property is located in a participating community.
- You can obtain more information about flood insurance at the NFIP Web site at www.fema.gov.

This information was courtesy the National Association of Insurance Commissioners (www.naic.org), a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The overriding objectives of state regulators are to protect consumers and help maintain the financial stability of the insurance industry.

FOR MORE INFORMATION ABOUT FLOOD INSURANCE, FEEL FREE TO CONTACT: DISB's Senior Insurance Operations Specialist Colin Van Niel at (202) 442-7810 or e-mail colin.vanniel@dc.gov.

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